

STATE OF INDIANA

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IN THE LAKE SUPERIOR COURT

) SS:

COUNTY OF LAKE

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CAUSE NO. 45D11-0601-PL-00012

STATE OF INDIANA,

)

Plaintiff,

)

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v.

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)

REASONS MEDICAL, INC., and  
JEFFREY SCOTT O'KELLEY,

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)

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Defendants.

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**Filed in Open Court**

JUL 24 2006

*Thomas R. Philpot*  
CLERK LAKE SUPERIOR COURT

**DEFAULT JUDGMENT**

The Plaintiff, State of Indiana, having filed its Motion for Default Judgment and the Court having read the same and being duly advised in the premises, now finds:

1. The Court has subject matter jurisdiction and personal jurisdiction over the Defendants, Reasons Medical, Inc., and Jeffrey Scott O'Kelley.
2. The Defendants were served with notice of these proceedings and a copy of the Plaintiff's First Amended Complaint for Injunction, Restitution, Costs, and Civil Penalties.
3. The Defendants have failed to appear, plead, or otherwise respond to the complaint.
4. The Defendant, Jeffrey Scott O'Kelley, is not an infant, incompetent, or in military service.

**THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED** the Motion for Default Judgment is **GRANTED** in favor of the Plaintiff, State of Indiana, and against the Defendants, Reasons Medical, Inc., and Jeffrey Scott O'Kelley, and the

Defendants, their agents, representatives, employees, successors and assigns are permanently enjoined from engaging in the following conduct in violation of Ind. Code § 24-5-0.5-1, *et seq.*:

- a. representing expressly or by implication the subject of a consumer transaction has sponsorship, approval, characteristics, accessories, uses, or benefits it does not have which the Defendants know or reasonably should know it does not have;
- b. representing, either orally or in writing, the subject of a consumer transaction will be supplied to the public in greater quantity than the Defendants intend or reasonably expect, when the Defendants know or reasonably should know it will not;
- c. representing, expressly or by implication, the subject of a consumer transaction involves or does not involve a warranty, a disclaimer of warranties, or other rights, remedies, or obligations, if the representation is false and if the Defendants know or reasonably should have known the representation is false;
- d. representing expressly or by implication the Defendants are able to deliver or complete the subject of a consumer transaction within a reasonable period of time, when the Defendants know or reasonably should know they cannot or will not; and
- e. representing expressly or by implication the consumers will be able to purchase the subject of a consumer transaction as advertised by the Defendants, if the Defendants do not intend to sell it.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** by the Court that judgment is granted in favor of the Plaintiff, State of Indiana, and against the Defendants, Reasons Medical, Inc., and Jeffrey Scott O'Kelley, as follows:

- a. The unlawful contracts previously entered into by the Defendants with those consumers identified in the paragraph below, are hereby cancelled pursuant to Ind. Code § 24-5-0.5-4(d).
- b. The Defendants shall pay consumer restitution, pursuant to Ind. Code § 24-5-0.5-4(c)(2), in the total amount of Fifteen Thousand Five Hundred Seventy-Five Dollars and Forty-One Cents (\$15,575.41), payable to the Office of the Attorney General for allocation and distribution to the following consumers in the following amounts:

1.	Ms. Deborah Jucha of Minnetonka, Minnesota	\$145.90
2.	Ms. Sheli Baker of Zelienople, Philadelphia	\$156.85
3.	Mr. Christopher Askew of Higley, Arizona	\$44.00
4.	Mr. Samuel Jordan of Spokane, Washington	\$149.85
5.	Ms. Lisa Vgolini of Lincroft, New Jersey	\$146.90
6.	Mr. John Bartlett of Hinesville, Georgia	\$82.90
7.	Ms. Deanne Williams of Anderson, South Carolina	\$165.80
8.	Ms. Mackenzie Leu of Crystal City, Missouri	\$68.90
9.	Ms. Heather Eggert of Newark, Delaware	\$72.90
10.	Ms. Annmarie D'Angelo of South Boston, MA	\$146.90
11.	Mr. Mark Pritsch of Dos Palos, California	\$174.85
12.	Mr. Chau Hoang of Pearland, Texas	\$174.85
13.	Ms. Megan Lehr of Redlands, California	\$132.90
14.	Ms. Sandra Skeen of Plymouth, Massachusetts	\$60.00
15.	Ms. Lori Ames of Warsaw, New York	\$156.85
16.	Mr. Paul Amato of Columbus, Ohio	\$131.90
17.	Ms. Donna Nodar of Phoenix, Arizona	\$146.90
18.	Ms. Mary Kiefer of Indianapolis, Indiana	\$147.00
19.	Ms. Jillian Morse of Davidson, Michigan	\$130.00
20.	Ms. Amber Frizzell of Centennial, Colorado	\$141.85
21.	Mr. Michael Bradley of Maryville, Tennessee	\$164.95
22.	Ms. Laura Randolph of Colonial Heights, Tennessee	\$68.00
23.	Ms. Hailee Dunning of Sweeny, Texas	\$145.90
24.	Mr. Juan Garcia of Fresno, California	\$98.00

25.	Ms. Jennifer Stanczyk of Sterling Heights, Missouri	\$140.00
26.	Ms. Kelly Johnson of Hilliard, Ohio	\$66.90
27.	Mr. Robert Meringolo of Providence, Rhode Island	\$144.90
28.	Ms. Jody Childress of Saint Cloud, Florida	\$74.85
29.	Ms. Patricia Rosati of Exeter, Philadelphia	\$49.99
30.	Mr. John Marshall of Richmond, Virginia	\$141.80
31.	Ms. Elizabeth Yeater of Dayton, Washington	\$44.85
32.	Mr. Daniel Acton of Alfred Station, New York	\$92.00
33.	Ms. Natalie Klinge of New Berlin, Wisconsin	\$143.85
34.	Mr. William Blaine Kunz of Atlanta, Georgia	\$68.90
35.	Ms. Loralyn Colosi of Utica, New York	\$128.90
36.	Ms. Sue Senator of Rochester, New York	\$75.90
37.	Ms. Rita Mark of Lynnwood, Washington	\$156.85
38.	Ms. Terrie Griffes of Jackson, Michigan	\$75.90
39.	Ms. Mandy Spiers of Kiln, Mississippi	\$60.00
40.	Ms. Melissa Moyers of Rockport, West Virginia	\$22.75
41.	Mr. Nik Friddle of Centerville, Utah	\$43.90
42.	Mr. Jason Terry of Oneida, Tennessee	\$153.85
43.	Mr. John Kapis of Canonsburg, Pennsylvania	\$100.10
44.	Ms. Rachel Harris of Rockville, Indiana	\$140.22
45.	Ms. Marianne Kerr of Mount Laurel, New Jersey	\$60.00
46.	Mr. Benjamin March of Manchester, Connecticut	\$174.80
47.	Ms. Jean Pentecost of Butte, Montana	\$173.00
48.	Ms. Laura Schott of San Antonio, Texas	\$89.85
49.	Ms. Yolanda Gillison of Indianapolis, Indiana	\$154.00
50.	Ms. Shantelle Feragen of Casselton, North Dakota	\$156.85
51.	Ms. Martha Lockhart of Grand Blanc, Michigan	\$84.00
52.	Ms. Kristi Wells-Bevis of Oceanside, California	\$21.95
53.	Ms. Allison Anderson of Bridgeport, West Virginia	\$21.95
54.	Mr. Anton Zarjetskiy of Shaker Heights, Ohio	\$132.90
55.	Mr. Winfred Statum, III of Manvel, Texas	\$143.85
56.	Ms. Donna Butler of Walton, New York	\$145.90
57.	Ms. Jill Washburn of Houston, Texas	\$82.90
58.	Ms. Marge Paradis of Kingston, Georgia	\$40.06
59.	Ms. Rita Mark of Lynnwood, Washington	\$156.85
60.	Mr. Dennison We of Elmont, New York	\$153.85
61.	Ms. Karen Dukes of Killeen, Texas	\$164.05
62.	Mr. Adam Dawidczyk of Tolland, Connecticut	\$145.90
63.	Ms. Karen J. Grammer of Lafayette, Indiana	\$96.11
64.	Ms. Laurie Owens of Biloxi, Mississippi	\$25.90
65.	Ms. Betsy Wagner of Merriam, KS	\$27.90
66.	Mr. Todd McCrea of San Francisco, California	\$143.85
67.	Mr. Richard Marshall of Penn Yan, New York	\$149.90
68.	Mr. Holin Honeyfield of Chattaroy, Washington	\$86.00
69.	Ms. Maureen Murray of Cheshire, Connecticut	\$91.90
70.	Ms. Katherine Gowan of Billings, Montana	\$156.95

71.	Ms. Jamie Lickteig of New Caney, Texas	\$147.00
72.	Mr. Kenneth Mack of Fort Lauderdale, Florida	\$189.00
73.	Ms. Rebecca Hazel of Sykesville, Maryland	\$93.10
74.	Ms. Sarah Rittman	\$176.80
75.	Mr. Kirk Carroll of Sulphur, Louisiana	\$168.00
76.	Ms. Teresa Cowell of Cortlandt Manor, New York	\$163.58
77.	Ms. Dana Bumtsed of Bellevue, Ohio	\$59.35
78.	Ms. Lisa Hitchcock-Weber of Valparaiso, Indiana	\$87.28
79.	Mr. Brian Dillehay of Jacksonville, Florida	\$104.85
80.	Ms. Denise White of Annapolis, Maryland	\$68.39
81.	Ms. Cathi Newara of North East, Philadelphia	\$125.15
82.	Ms. Patricia L. Miller of Scottsdale, Arizona	\$145.90
83.	Ms. Deirdra Johnson of Westchester, Illinois	\$156.85
84.	Mr. Russell Anderson of Missoula, Montana	\$76.85
85.	Mr. Chad Meeks of Aubrey, Texas	\$156.85
86.	Mr. James Brittingham of Laurel, Delaware	\$274.63
87.	Mr. Ralph V. Smith of Aiken, South Carolina	\$82.90
88.	Ms. Kelly Freeman of Hogansville, Georgia	\$72.90
89.	Mr. Joseph Unson of San Diego, California	\$130.85
90.	Ms. Beth Morrison of Zanesville, Ohio	\$146.90
91.	Ms. Sarah Welch of Rindge, New Hampshire	\$68.90
92.	Ms. Michelle Davidson of Manassas, Virginia	\$47.90
93.	Mr. Thuy Bui of Pittsburgh, Pennsylvania	\$145.00
94.	Ms. Amy Olsen of Grapevine, Texas	\$145.90
95.	Ms. Olga Rafaelian of San Francisco, California	\$130.00
96.	Mr. Scott Laufenberg of Cashton, Wisconsin	\$145.90
97.	Mr. Alan Oden of Detroit, Michigan	\$31.95
98.	Ms. Julie Elam of Grove City, Ohio	\$63.15
99.	Mr. Dale Tetrault of South Hamilton, MA	\$27.55
100.	Ms. Karen Kelley of Morris, Illinois	\$255.85
101.	Ms. Jennifer Groom of Davia, California	\$142.85
102.	Ms. Lisa Hoots of Winchester, Illinois	\$56.85
103.	Ms. Rachel Brown of Antelope, California	\$143.85
104.	Ms. Heather Margo of Mc Knight, Pennsylvania	\$21.10
105.	Ms. Janet M. Peche of Brandon, Florida	\$86.00
106.	Ms. Emma L. Mitchell of Scottsville, Virginia	\$97.00
107.	Mr. David Parkhurst of Winters, California	\$132.90
108.	Ms. Heather Skaggs of Clarkson, Kentucky	\$82.90
109.	Mr. Lionel Gautreaux of Kyle, Texas	\$156.85
110.	Ms. Brook Buerkle of Moorhead, Montana	\$132.90
111.	Ms. Kelly Sterling of Dublin, Georgia	\$89.85
112.	Ms. Kimberly Baydarian of Baltimore, Maryland	\$135.95
113.	Ms. Erin Barnett of Bloomingdale, Ohio	\$145.90
114.	Ms. Lisa DeVine of Booneville, Arizona	\$68.90

115.	Ms. Kara Firth of Oklahoma City, Oklahoma	\$143.85
116.	Ms. April Yankovich of Hammond, Indiana	\$114.00
117.	Ms. Bonnie Griffith of Wattsburg, Pennsylvania	\$45.45
118.	Mr. Michael Keller of Ann Arbor, Michigan	\$82.90
119.	Ms. Karen Latera of Coconut Creek, Florida	\$143.85
120.	Ms. Sandy Beck of Colome, South Dakota	\$68.90
121.	Mr. Daryl Dickson of Rapid City, South Dakota	\$176.80
122.	Ms. Cheri L. Wilkins of Fort Lauderdale, Florida	\$54.55
123.	Ms. Aileene Ventura of Piscataway, New Jersey	\$143.85
124.	Mr. Thomas Sweeney of Niles, Michigan	\$139.00
125.	Ms. Beverly Chandlee of Sharon Hill, Pennsylvania	\$89.85
126.	Ms. Ida Norred of Holden, Louisiana	\$156.85
127.	Ms. Jill LaBarbera of Eau Claire, Wisconsin	\$25.95
128.	Ms. Loretta White of Morristown, Tennessee	\$152.85
129.	Mr. Newton Hughes of Barberton, Ohio	\$44.90
130.	Mr. James D. Berkowitz of Queensbury, New York	\$174.85
131.	Ms. Jeanne E. Skelly of Chicago, Illinois	\$142.85
132.	Mr. Robert F. English of Hopewell, Virginia	\$156.85
133.	Ms. Julie Graham of Altaville, California	\$156.85
134.	Mr. Heith W. Gammons of Fort Worth, Texas	\$135.00; and
135.	Ms. Andrea Ochoa of Ralston, Pennsylvania	\$180.00;
136.	Dr. Jami Rayles of Muncie, Indiana	<u>\$220.66</u>
<b>TOTAL:</b>		<b>\$15,796.07</b>

- c. The Defendants shall pay the Office of the Attorney General, pursuant to Ind. Code § 24-5-0.5-4(c)(3), the amount of Two Thousand Three Hundred and Sixty Dollars (\$2,360.00), representing the Plaintiff's costs of investigating and prosecuting this action.
- d. The Defendants shall pay civil penalties pursuant to Ind. Code § 24-5-0.5-4(g) and Ind. Code § 24-5-0.5-8 for the Defendants' knowing and intentional violations of the Deceptive Consumer Sales Act, in the amount of Thirty-Four Thousand Dollars (\$34,000.00), payable to the State of Indiana.

- e. The previously attached property of the Defendants, including the business inventory of the Defendants currently held by the State of Indiana, pursuant to this Court's Order of January 31, 2006 and the Parties' Agreed Entry approved by this Court on February 15, 2006, shall be released to the Office of the Attorney General as partial satisfaction of the monetary provisions of this judgment. The Attorney General shall, in his sole discretion, use this property to partially satisfy the complaints of the aggrieved consumers identified in this Judgment. This may include, but is not limited to, distributing the property to aggrieved consumers, or hiring an auctioneer to sell the property and deliver the proceeds to the Office of the Attorney General for distribution to aggrieved consumers on a pro rata basis.

**A total monetary judgment in the amount of Fifty-Two Thousand One Hundred Fifty-Six Dollars and Seven Cents (\$52,156.07) shall therefore be entered in favor of the Plaintiff, State of Indiana, and against the Defendants, Reasons Medical, Inc., and Jeffrey Scott O'Kelley, also known as Scott O'Kelley.**

**ALL ORDERED, ADJUDGED AND DECREED** on this 24 day of JULY, 2006.

  
Judge, Lake County Superior Court

Distribution:

Terry Tolliver  
Office of the Attorney General

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Indianapolis, IN 46204

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Hobart, IN 46342

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